

2732

2011-2012 Regular Sessions

I N   S E N A T E

January 31, 2011

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Introduced by Sens. GOLDEN, GRISANTI, MARTINS, MAZIARZ -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to enacting the "education investment incentives act"

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Short title. This act shall be known and may be cited as  
2     the "education investment incentives act".

3     S 2. Legislative findings and intent. The legislature hereby finds and  
4     declares that:

5     a. At a time when the state is considering ways of reducing the tax  
6     burden for New York state residents and educators are seeking an expansion of financial resources, charitable giving for educational purposes should be stimulated;

7     b. Permitting public education entities such as school districts and  
8     individual public schools, including charter schools, to accept and  
9     receive voluntary cash contributions will lessen the need for additional  
10    tax revenue;

11    c. Encouraging voluntary support for education, without prejudice for  
12    or against any state-sanctioned educational enterprise, promotes the  
13    state's interest in providing the highest quality education to all children in the state;

14    d. Requiring a sharing of resources among school districts will insure  
15    a more equitable distribution of financial support;

16    e. The tax credit provided in this act is merely one of many credits  
17    available to New York taxpayers;

18    f. The intended beneficiaries of the tax credit provided in this act  
19    are the students who attend public schools, including charter schools,  
20    or who further their educations using tuition scholarships from educational scholarship organizations, or who participate in home-based

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [ ] is old law to be omitted.

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educational programs; therefore the tax credit does not constitute public aid to non-public sectarian institutions;

g. Permitting school personnel to claim a credit for the purchase of classroom instructional materials and supplies will insure a wider availability of such materials and supplies for all students.

S 3. Section 606 of the tax law is amended by adding five new subsections (u), (v), (w), (w-1) and (w-2) to read as follows:

(U) DEFINITIONS. AS USED IN SUBSECTIONS (V), (W), (W-1) AND (W-2) OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(1) "PUBLIC EDUCATION ENTITY" SHALL MEAN ANY PUBLIC SCHOOL DISTRICT OR ANY INDIVIDUAL PUBLIC SCHOOL, INCLUDING ANY CHARTER SCHOOL.

(2) "LOCAL EDUCATION FUND" SHALL MEAN A CHARITABLE ORGANIZATION IN THIS STATE THAT:

(A) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE; AND

(B) IS ESTABLISHED FOR THE EXPLICIT PURPOSE OF SUPPORTING PUBLIC EDUCATION WITHIN A SPECIFIC PUBLIC SCHOOL DISTRICT.

(3) "EDUCATIONAL SCHOLARSHIP ORGANIZATION" SHALL MEAN A CHARITABLE ORGANIZATION IN THIS STATE THAT:

(A) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE; AND

(B) ALLOCATES AT LEAST EIGHTY-SEVEN PERCENT OF ITS ANNUAL EXPENDITURES FOR EDUCATIONAL SCHOLARSHIPS OR TUITION GRANTS TO CHILDREN ALLOWING THEM TO ATTEND ANY ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL AND/OR TO RECEIVE TUTORING AND MENTORING SERVICES IN AN ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL, OR FOR OTHER EDUCATIONAL PURPOSES; AND

(C) MAKES EDUCATIONAL SCHOLARSHIPS, WHICH MAY INCLUDE SCHOLARSHIPS FOR TUTORING AND MENTORING SERVICES, OR TUITION GRANTS AVAILABLE TO CHILDREN FROM MORE THAN ONE PUBLIC OR ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL; AND

(D) REPORTS ANNUALLY TO THE DEPARTMENT THE GROSS RECEIPTS AND GROSS AMOUNT EXPENDED FOR SCHOLARSHIPS AND TUITION GRANTS, MENTORING SERVICES, AND OTHER EDUCATIONAL PURPOSES.

(4) "ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL" SHALL MEAN ANY RELIGIOUS OR INDEPENDENT PRIMARY OR SECONDARY SCHOOL THAT IS LOCATED IN THIS STATE, THAT SATISFIES THE REQUIREMENTS PRESCRIBED BY LAW FOR SUCH SCHOOLS IN THIS STATE, AND THAT HAS QUALIFIED FOR FEDERAL TAX EXEMPTION UNDER SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE.

(5) "AUTHORIZED CERTIFICATE OF RECEIPT" SHALL MEAN A CERTIFICATE DESIGNED BY THE COMMISSIONER FOR THE PURPOSE OF ACKNOWLEDGING RECEIPT OF A CHARITABLE CONTRIBUTION BY THE CHIEF EXECUTIVE OFFICER OF A PUBLIC EDUCATION ENTITY, OR OF A LOCAL EDUCATION FUND OR OF AN EDUCATIONAL SCHOLARSHIP ORGANIZATION.

(V) CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND TWELVE, A CREDIT IS ALLOWED AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A PUBLIC EDUCATION ENTITY. ACCEPTANCE AND RECEIPT OF ALL SUCH CONTRIBUTIONS SHALL BE PERMITTED. A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIFICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(1) THE AMOUNT OF THE CREDIT.

(A) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIBUTIONS, NOT TO EXCEED SIX THOUSAND DOLLARS IN ANY TAXABLE YEAR.

(B) A SHAREHOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PARTNERSHIP (OR OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX

PURPOSES) SHALL BE TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER PRO-RATA SHARE OF THE TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR PARTNERSHIP, DETERMINED FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE YEAR ENDING WITH OR WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR. THE MAXIMUM AMOUNT OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP SHALL BE THE SAME AS THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS FORTY-FOUR AND FORTY-FIVE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

(2) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

(3) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE NO TAXES DUE UNDER THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT USED TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN FIVE YEARS INCOME TAX LIABILITY.

(4) CONTRIBUTIONS OF TEN THOUSAND DOLLARS OR LESS IN ANY TAXABLE YEAR SHALL NOT BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS ARTICLE FOR CHARITABLE CONTRIBUTIONS. CONTRIBUTIONS IN EXCESS OF TEN THOUSAND DOLLARS IN ANY TAXABLE YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS ARTICLE FOR CHARITABLE CONTRIBUTIONS.

(5) SUCH CONTRIBUTIONS SHALL BE DEPOSITED IN A SEPARATE ACCOUNT.

(6) IF MADE TO A PUBLIC SCHOOL DISTRICT SUCH CONTRIBUTIONS SHALL BE SUPERVISED BY A PERSON SO DESIGNATED BY THE CHANCELLOR OR SUPERINTENDENT. IF MADE TO A PARTICULAR SCHOOL THEY SHALL BE SUPERVISED BY THE SCHOOL PRINCIPAL. REPORTS OF DEPOSITS AND DISBURSEMENTS SHALL BE MADE TO THE LOCAL BOARD OF EDUCATION ANNUALLY. CHARTER SCHOOLS SHALL MAKE SUCH REPORTS TO THE STATE EDUCATION DEPARTMENT.

(W) CONTRIBUTIONS TO LOCAL EDUCATION FUND CREDIT. IN LIEU OF CONTRIBUTIONS IN SUBSECTION (V) OF THIS SECTION, A CREDIT IS ALLOWED:

(1) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A LOCAL EDUCATION FUND. A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIFICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(A) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIBUTIONS, NOT TO EXCEED SIX THOUSAND DOLLARS IN ANY TAXABLE YEAR. A SHAREHOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PARTNERSHIP (OR OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX PURPOSES) SHALL BE TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER PRO-RATA SHARE OF THE TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR PARTNERSHIP, DETERMINED FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE YEAR ENDING WITH OR WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR. THE MAXIMUM AMOUNT OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP SHALL BE THE SAME AS THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS FORTY-FOUR AND FORTY-FIVE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

(B) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

(C) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE TAXES DUE UNDER THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT USED TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN FIVE YEARS' INCOME TAX LIABILITY.

(D) CONTRIBUTIONS IN EXCESS OF TEN THOUSAND DOLLARS IN ANY TAXABLE YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS ARTICLE FOR CHARITABLE CONTRIBUTIONS.

1 (E) THIS TAX CREDIT MAY NOT BE CLAIMED FOR ANY CONTRIBUTION TO A LOCAL  
2 EDUCATION FUND FOR THE BENEFIT OF A DESIGNATED STUDENT.

3 (2) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-  
4 ER DURING THE TAXABLE YEAR TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION. A  
5 TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIF-  
6 ICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFT-  
7 ER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

8 (A) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIB-  
9 UTIONS, NOT TO EXCEED SIX THOUSAND DOLLARS IN ANY TAXABLE YEAR. A SHARE-  
10 HOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PARTNERSHIP (OR  
11 OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX PURPOSES) SHALL BE  
12 TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER PRO-RATA SHARE OF THE  
13 TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR PARTNERSHIP, DETERMINED  
14 FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE YEAR ENDING WITH OR  
15 WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR. THE MAXIMUM AMOUNT  
16 OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP SHALL BE THE SAME AS  
17 THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS FORTY-FOUR AND FORTY-  
18 FIVE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

19 (B) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN  
20 WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF  
21 OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

22 (C) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER  
23 THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE NO TAXES DUE  
24 UNDER THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT  
25 USED TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN  
26 FIVE YEARS' INCOME TAX LIABILITY.

27 (D) CONTRIBUTIONS IN EXCESS OF TEN THOUSAND DOLLARS IN ANY TAXABLE  
28 YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS ARTI-  
29 CLE FOR CHARITABLE CONTRIBUTIONS.

30 (E) THIS TAX CREDIT MAY NOT BE CLAIMED FOR ANY CONTRIBUTION TO AN  
31 EDUCATIONAL SCHOLARSHIP ORGANIZATION FOR THE BENEFIT OF A DESIGNATED  
32 STUDENT.

33 (W-1) HOME-BASED INSTRUCTIONAL MATERIALS CREDIT. IN LIEU OF CONTRIB-  
34 UTIONS IN SUBSECTIONS (V) AND (W) OF THIS SECTION, A CREDIT IS ALLOWED  
35 FOR THE PURCHASE OF INSTRUCTIONAL MATERIALS FOR NON-PUBLIC HOME-BASED  
36 EDUCATIONAL PROGRAMS. THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF  
37 SUCH PURCHASES.

38 (1) THE AMOUNT OF SUCH CREDIT SHALL NOT EXCEED SEVENTY-FIVE DOLLARS IN  
39 ANY TAXABLE YEAR.

40 (2) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN  
41 WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF  
42 OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

43 (3) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER  
44 THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE NO TAXES DUE  
45 UNDER THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT  
46 USED TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN  
47 FIVE YEARS' INCOME TAX LIABILITY.

48 (4) IF THE TAXPAYER SHALL BE RESPONSIBLE FOR NOTIFYING THE COMMISSION-  
49 ER OF THE INTENTION TO CLAIM THE ALLOWABLE CREDIT, NO LATER THAN DECEM-  
50 BER THIRTY-FIRST.

51 (W-2) CLASSROOM INSTRUCTIONAL MATERIALS AND SUPPLIES CREDIT. A CREDIT  
52 IS ALLOWED FOR THE PURCHASE OF CLASSROOM INSTRUCTIONAL MATERIALS AND  
53 SUPPLIES FOR PERSONNEL EMPLOYED IN ANY PUBLIC SCHOOL, INCLUDING ANY  
54 CHARTER SCHOOL, OR IN ANY ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL.

(1) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH PURCHASES. THE AMOUNT OF SUCH CREDIT SHALL NOT EXCEED SEVENTY-FIVE DOLLARS IN ANY TAXABLE YEAR.

(2) THE TAXPAYER SHALL BE RESPONSIBLE FOR NOTIFYING THE COMMISSIONER OF THE INTENTION TO CLAIM THE ALLOWABLE CREDIT, NO LATER THAN DECEMBER THIRTY-FIRST, INDICATING WHETHER THE PURCHASE WAS MADE FOR USE IN A PUBLIC SCHOOL, INCLUDING A CHARTER SCHOOL, OR AN ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL.

S 4. Section 210 of the tax law is amended by adding four new subdivisions 43, 44, 45 and 46 to read as follows:

43. DEFINITIONS. AS USED IN SUBDIVISIONS FORTY-FOUR AND FORTY-FIVE OF THIS SECTION THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "PUBLIC EDUCATION ENTITY" SHALL MEAN ANY PUBLIC SCHOOL DISTRICT OR ANY INDIVIDUAL PUBLIC SCHOOL, INCLUDING ANY CHARTER SCHOOL.

(B) "LOCAL EDUCATION FUND" SHALL MEAN A CHARITABLE ORGANIZATION IN THIS STATE THAT:

(1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE; AND

(2) IS ESTABLISHED FOR THE EXPLICIT PURPOSE OF SUPPORTING PUBLIC EDUCATION WITHIN A SPECIFIC PUBLIC SCHOOL DISTRICT; AND

(3) REPORTS ANNUALLY TO THE DEPARTMENT THE GROSS RECEIPTS AND GROSS AMOUNT EXPENDED IN SUPPORT OF PUBLIC EDUCATION.

(C) "EDUCATIONAL SCHOLARSHIP ORGANIZATION" SHALL MEAN A CHARITABLE ORGANIZATION IN THIS STATE THAT:

(1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE; AND

(2) ALLOCATES AT LEAST EIGHTY-SEVEN PERCENT OF ITS ANNUAL EXPENDITURES FOR EDUCATIONAL SCHOLARSHIPS OR TUITION GRANTS TO CHILDREN ALLOWING THEM TO ATTEND ANY ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL AND/OR TO RECEIVE TUTORING AND MENTORING SERVICES IN AN ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL, OR FOR OTHER EDUCATIONAL PURPOSES; AND

(3) MAKES EDUCATIONAL SCHOLARSHIPS, WHICH MAY INCLUDE SCHOLARSHIPS FOR TUTORING AND MENTORING SERVICES, OR TUITION GRANTS AVAILABLE TO CHILDREN FROM MORE THAN ONE PUBLIC OR ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL; AND

(4) REPORTS ANNUALLY TO THE DEPARTMENT THE GROSS RECEIPTS AND GROSS AMOUNT EXPENDED FOR SCHOLARSHIPS AND TUITION GRANTS.

(D) "ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL" SHALL MEAN ANY RELIGIOUS OR INDEPENDENT PRIMARY OR SECONDARY SCHOOL THAT IS LOCATED IN THIS STATE, THAT SATISFIES THE REQUIREMENTS PRESCRIBED BY LAW FOR SUCH SCHOOLS IN THIS STATE, AND THAT HAS QUALIFIED FOR FEDERAL TAX EXEMPTION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.

(E) "AUTHORIZED CERTIFICATE OF RECEIPT" SHALL MEAN A CERTIFICATE DESIGNED BY THE COMMISSIONER FOR THE PURPOSE OF ACKNOWLEDGING RECEIPT OF A CHARITABLE CONTRIBUTION BY THE CHIEF EXECUTIVE OFFICER OF A PUBLIC EDUCATION ENTITY, OR OF A LOCAL EDUCATION FUND OR OF AN EDUCATIONAL SCHOLARSHIP ORGANIZATION.

44. CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. (A) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND TWELVE, A CREDIT IS ALLOWED AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A PUBLIC EDUCATION ENTITY. ACCEPTANCE AND RECEIPT OF ALL SUCH CONTRIBUTIONS SHALL BE PERMITTED. A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE. THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIBUTIONS, NOT TO EXCEED FIFTEEN THOUSAND DOLLARS IN ANY TAXABLE YEAR.

(B) SUCH CONTRIBUTIONS SHALL BE DEPOSITED IN A SEPARATE ACCOUNT.

(C) IF MADE TO A PUBLIC SCHOOL DISTRICT SUCH CONTRIBUTIONS SHALL BE SUPERVISED BY A PERSON SO DESIGNATED BY THE CHANCELLOR OR SUPERINTENDENT. IF MADE TO A PARTICULAR SCHOOL THEY SHALL BE SUPERVISED BY THE SCHOOL PRINCIPAL. REPORTS OF DEPOSITS AND DISBURSEMENTS SHALL BE MADE TO THE LOCAL BOARD OF EDUCATION ANNUALLY. CHARTER SCHOOLS SHALL MAKE SUCH REPORTS TO THE STATE EDUCATION DEPARTMENT.

45. CONTRIBUTIONS TO LOCAL EDUCATION FUND CREDIT. IN LIEU OF CONTRIBUTIONS IN SUBDIVISION FORTY-FOUR OF THIS SECTION, A CREDIT IS ALLOWED:

(A) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A LOCAL EDUCATION FUND. A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIFICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(1) THE AMOUNT OF SUCH CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIBUTIONS, NOT TO EXCEED FIFTEEN THOUSAND DOLLARS IN ANY TAXABLE YEAR.

(2) THIS TAX CREDIT MAY NOT BE CLAIMED FOR ANY CONTRIBUTION TO A LOCAL EDUCATION FUND FOR THE BENEFIT OF A DESIGNATED STUDENT.

(B) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION. A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIFICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(1) THE AMOUNT OF SUCH CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIBUTIONS, NOT TO EXCEED FIFTEEN THOUSAND DOLLARS IN ANY TAXABLE YEAR.

(2) THIS TAX CREDIT MAY NOT BE CLAIMED FOR ANY CONTRIBUTION TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION FOR THE BENEFIT OF A DESIGNATED STUDENT.

46. SCHOOL DISTRICTS RECEIVING CONTRIBUTIONS IN EXCESS OF ONE PERCENT OF THEIR PREVIOUS YEAR'S BUDGET SHALL BE REQUIRED TO REMIT A MINIMUM OF THIRTY-FIVE PERCENT OF ANY SUCH EXCESS AMOUNT TO A FUND ADMINISTERED BY THE COMMISSIONER, TO BE DISTRIBUTED TO SCHOOL DISTRICTS RECEIVING LESS THAN ONE-HALF OF ONE PERCENT OF THEIR PREVIOUS YEAR'S BUDGET. CONTRIBUTIONS TO SCHOOL DISTRICTS, TO INDIVIDUAL SCHOOLS (NOT INCLUDING CHARTER SCHOOLS) AND TO LOCAL EDUCATION FUNDS SHALL BE AGGREGATED FOR THE PURPOSES OF THIS SECTION. SUCH PAYMENTS SHALL BE CALCULATED ON A CALENDAR YEAR BASIS AND SHALL BE MADE NO LATER THAN MARCH FIRST OF THE FOLLOWING YEAR.

S 5. Section 171 of the tax law is amended by adding a new subdivision twenty-ninth to read as follows:

TWENTY-NINTH. FOR THE PURPOSE OF IMPLEMENTING THE PROVISIONS OF SUBSECTIONS (U), (V), (W), (W-1) AND (W-2) OF SECTION SIX HUNDRED SIX AND SUBDIVISIONS FORTY-THREE, FORTY-FOUR, FORTY-FIVE AND FORTY-SIX OF SECTION TWO HUNDRED TEN OF THIS CHAPTER THE COMMISSIONER SHALL:

(1) REGISTER PUBLIC SCHOOL DISTRICTS, INDIVIDUAL PUBLIC SCHOOLS, INCLUDING CHARTER SCHOOLS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS; AND

(2) UPON NOTIFICATION BY THE CHIEF EXECUTIVE OFFICER OF ANY EDUCATION ENTITY SO REGISTERED THAT A CONTRIBUTION HAS BEEN RECEIVED, SUCH NOTIFICATION BEING WITHIN ONE BUSINESS DAY OF SAID RECEIPT, RECORD THE AMOUNT AND DATE OF THE CONTRIBUTION, THE NAME AND ADDRESS OF THE CONTRIBUTOR; AND

(3) UPON NOTIFICATION THAT A CREDIT FOR THE PURCHASE OF INSTRUCTIONAL MATERIALS FOR NON-PUBLIC HOME-BASED EDUCATIONAL PROGRAMS, RECORD THE

1 AMOUNT AND DATE OF THE NOTIFICATION, THE NAME AND ADDRESS OF THE CLAIM-  
2 ANT; AND

3 (4) UPON NOTIFICATION THAT A CREDIT FOR THE PURCHASE OF THE CLASSROOM  
4 INSTRUCTIONAL MATERIALS AND SUPPLIES, RECORD THE AMOUNT AND DATE OF THE  
5 NOTIFICATION, THE NAME AND ADDRESS OF THE CLAIMANT, AND WHETHER THE  
6 PURCHASE WAS MADE FOR USE IN A PUBLIC SCHOOL, INCLUDING A CHARTER  
7 SCHOOL, OR AN ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL; AND

8 (5) MAKE NO MORE THAN TWO HUNDRED MILLION DOLLARS IN CREDITS AVAILABLE  
9 IN ANY SINGLE TAX YEAR, PROVIDED FURTHER THAT FIFTY PERCENT OF SUCH  
10 CREDITS SHALL BE AFFORDED TO TAXPAYERS WHO MAKE DONATIONS TO PUBLIC  
11 EDUCATION ENTITIES AND LOCAL EDUCATION FUNDS, AND FOR THE PURCHASE OF  
12 CLASSROOM INSTRUCTIONAL MATERIALS AND SUPPLIES FOR USE IN A PUBLIC  
13 SCHOOL OR A CHARTER SCHOOL, AND THAT FIFTY PERCENT OF SUCH CREDITS SHALL  
14 BE AFFORDED TO EDUCATION SCHOLARSHIP ORGANIZATIONS OR FOR HOME-BASED  
15 INSTRUCTIONAL MATERIALS, AND FOR THE PURCHASE OF CLASSROOM INSTRUCTIONAL  
16 MATERIALS AND SUPPLIES FOR USE IN AN ELIGIBLE RELIGIOUS OR INDEPENDENT  
17 SCHOOL; AND

18 (6) ISSUE TO TAXPAYERS ALL AUTHORIZED CERTIFICATES OF RECEIPT FOR ALL  
19 ELIGIBLE CREDITS NO LATER THAN JANUARY THIRTY-FIRST FOR CREDITS CLAIMED  
20 FOR THE PREVIOUS CALENDAR YEAR.

21 S 6. Excess contributions. Contributions exceeding the allowed annual  
22 maximum of one hundred million dollars to public education entities,  
23 local education funds and for the purchase of classroom instructional  
24 materials and supplies for use in a public school or a charter school,  
25 or the allowed annual maximum of one hundred million dollars to educa-  
26 tion scholarship organizations, for home-based instructional materials  
27 and for the purchase of classroom instructional materials and supplies  
28 for use in an eligible religious or independent school, shall be applied  
29 to the following tax year, and the donor so notified within one business  
30 day.

31 S 7. The department of taxation and finance shall prepare a written  
32 report before January 31 of each calendar year, which shall contain  
33 statistical information regarding the credits allowed pursuant to  
34 subsections (u), (v), (w), (w-1) and (w-2) of section 606 and subdivi-  
35 sions 43, 44, 45 and 46 of section 210 of the tax law as added by  
36 sections three and four of this act, for the previous calendar year.  
37 Copies of such report shall be submitted to the governor, the temporary  
38 president of the senate, the speaker of the assembly, the chair of the  
39 senate finance committee and the chair of the assembly ways and means  
40 committee. Such reports shall contain, but need not be limited to, the  
41 number of credits by type and the amount of such credits allowed to  
42 taxpayers.

43 S 8. This act shall take effect on the first of January next succeed-  
44 ing the date on which it shall have become a law.